

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER III – EXAMINATION – WINTER 2018

Subject Code: 2830002

Date:04/12/2018

Subject Name: Legal Aspects of Business (LAB)

Time: 10:30 AM To 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) MCQ

06

1. Unpaid seller can exercise his right against buyer when

- (a) Ownership of goods not has passed to the buyer
- (b) Ownership of goods has passed to the buyer
- (c) Either (a) or (b)
- (d) Both (a) & (b)

2. A proposal when accepted

- (a) Becomes a promise
- (b) Becomes an agreement.
- (c) Becomes a contract
- (d) Becomes a consideration.

3. In a contract of sale which property is passed from seller to buyer?

- (a) Specific property
- (b) General property
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)

4. In case, principal revokes the agency, he

- (a) Remains bound by the agent's act, done prior to revocation
- (b) Is not bound by the agent's acts, done prior to revocation
- (c) Is bound by the agent's subsequent acts also
- (d) Liable to punishment, as revocation is illegal

5. In contract of guarantee there is/are _____ contact/s.

- (a) 3
- (b) 1
- (c) 2
- (d) 4

6. Condition as to Title is the example of

- (a) Implied warranty
- (b) Express condition
- (c) Implied condition
- (d) Express warranty

- (b) Explain the following terms **www.FirstRanker.com** **www.FirstRanker.com** **04**
1. Consumer
 2. Ratification of agency
 3. "Goods" as per Sale of Goods Act 1930
 4. Bailment
- (C) A, B and C as sureties for D enter into three several bonds, each in a different penalty of A Rs.1000, B in that of Rs. 2000 and C in that of Rs.4000 conditioned for D's duly accounting to E. D makes a default to the extent of Rs. 4000. State the liability of A, B and C. **04**
- Q.2** (a) "Contract without consideration is void" explain the rule along with exceptions. **07**
- (b) Discuss in brief the remedies available to an aggrieved party in case of breach of the contract. **07**
- OR**
- (b) Differentiate between contract of Indemnity and contract of Guarantee. **07**
- Q.3** (a) "A company is an artificial person created by law" Discuss the statement and explain the characteristics of a company. **07**
- (b) Define Managing Director and state the statutory provisions regarding his appointment and remuneration. **07**
- OR**
- Q.3** (a) "No one can give that which he possesses not" Explain the rule along with its marks exceptions. **07**
- (b) Explain different types of crossing of cheques with examples. **07**
- Q.4** (a) "Environment Protection Act is an Umbrella Law for Environment Protection." Justify the Statement. **07**
- (b) Where and how can a complaint be made by consumer? State the jurisdiction and scope of the various consumer dispute redressal agencies in this regard. **07**
- OR**
- (a) Explain the types of cyber crime and their remedies. **07**
- (b) Explain the criteria for patentability set under the Indian Patents Act. **07**
- Q.5** (a) The Secretary of a company forged signature of one of the two directors required under the articles on a share certificate and issued certificate without authority. The applicants were later refused registration as members of the company. Can the Doctrine of Indoor Management protect the interest of the applicants who were refused registration? Also, explain the exceptions to the Doctrine of Indoor Management. **07**
- (b) Ashish bought an electric iron from a shop. His wife, Varsha was using the iron, when in the first use itself, the coil melted and gave her a shock. Varsha had to be hospitalized. Can Ashish return back the iron and claim his money back? Can Varsha demand compensation for injury? Can Ashish demand compensation for his wife? **07**

OR

Q.5 Aditya Advertisement Co., in response to a tender notice dated April 17, 2002, put in its bid for advertising on the buses of the company Tramco Ltd. A bid was to be accompanied with a deposit of Rs. 30 lakhs. The bids were to be put in a box which was to be opened at 3 PM, May 2, 2003 in front of representatives of the parties who had put in tender. The tender advertisement had provided that tenderers will not be permitted to withdraw their tender after the tenders were opened. It further provided that if the highest tenderer backed out from taking up the agency, for whatsoever reason, the deposit amount of Rs. 30 lakhs would be forfeited. Subsequently, a court through an order dated May 1, 2003 stalled the tender. The box was opened on May 2, 2003 in the presence of the representative of the tendering parties. A total of six responses were found. All the six responses were put in a large envelope and sealed with the signature of the representatives. Aditya Advertising Co. had raised the loan of 30 lakhs to put in the bid. It wrote a letter on May 3, 2003 to say that it could not keep money for so long and requested the return of the deposit without any delay. The bus company received the letter on May 4, 2003. The court withdrew its order on May 17, 2003 and permitted opening of the tenders in the presence of a courts nominee. Aditya Advertising Co. was the highest bidder. The Tramco Ltd. insists that Aditya Co. has to take up the work or the 30 lakhs would be forfeited.

Que. 1 Decide whether The Tramco Ltd. can legally force Aditya Advertising Co. to accept the work? Justify your answer with reasons.

Que. 2 What is the remedies available to Aditya Advertising Co. if any?
